

Flash Alert

18 July 2023



Introduction of Foreign Employment Service Fees, Foreign Tourism Fees & Luxury Fees

The government of Nepal has introduced foreign employment service fees, foreign tourism fees and luxury fees from Finance Act 2080. Consequently, the Inland Revenue Department (IRD) has published procedures for the administration and collection of these fees the summary of which is as follows:

Particulars	Foreign Employment Service Fees	Foreign Tourism Fees	Luxury Fees
Effective Date	Shrawan 1, 2080 (17 July 2023)		
Rate of tax	1%	5%	2%
Persons Responsible for the collection	A person operating a business of sending workers for foreign employment	a) Persons selling Foreign Tour Package b) Firm or company sending associated natural persons for a foreign business trip	a) Five-star or above hotels, and luxury resorts at the time of raising the invoice b) Custom Office at the customs point at the time of import of liquor c) Seller of ornaments of gold, silver or other precious metals and diamonds, pearls or other precious stones shall collect at the time of sale above NPR 1 million
From whom to collect	Workers going for foreign employment	a) Nepalese Tourist going abroad b) Entity sending its staff abroad	a) persons availing services of five-star or above hotels and luxury resorts b) importer of liquor c) the person buying ornaments in excess of NPR 1 million
Administrative Authority	Respective Taxpayer Service Offices, Inland Revenue Offices, Medium Taxpayer Offices, and Large Taxpayer Office and Customs Offices in case of import of liquor		
Registration	Persons already having PAN shall not register separately for payment of these fees.		
Accounting	Accrual Basis		
Details to be Submitted	25 th day of the next Nepali month		
Late Fees on non-submission	N/A	2.5% p.a.	2.5% p.a.
Payment of Tax Collected	25 th day of the next Nepali month		
Interest on Late Payment	15% p.a.		
Penalty for, concealment etc.	N/A	25% of concealed income	25% of concealed income

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